

# Q1 2021 Results

Earnings Call Presentation

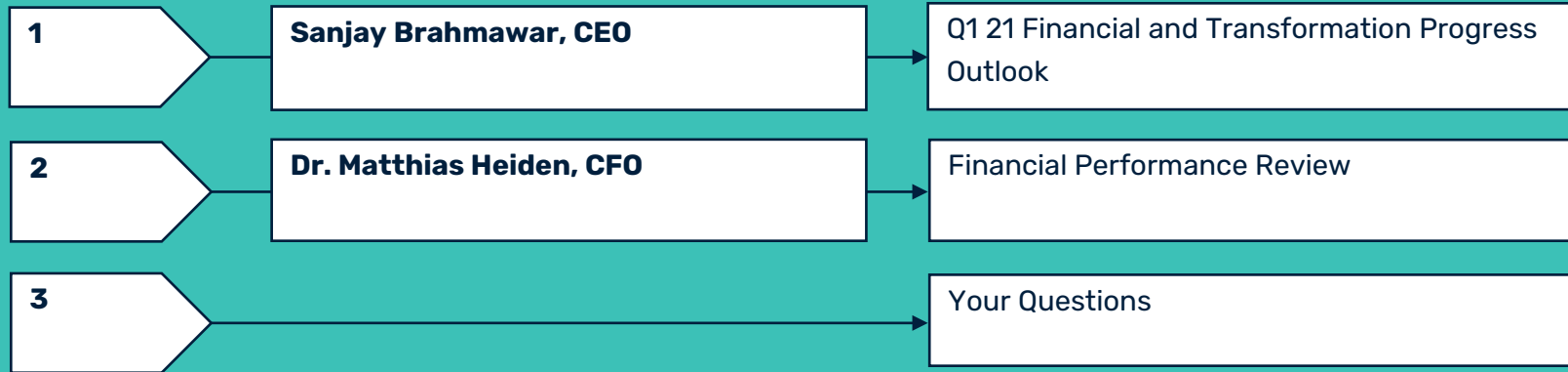
Sanjay Brahmawar  
Dr. Matthias Heiden  
23 April 2021

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# Agenda

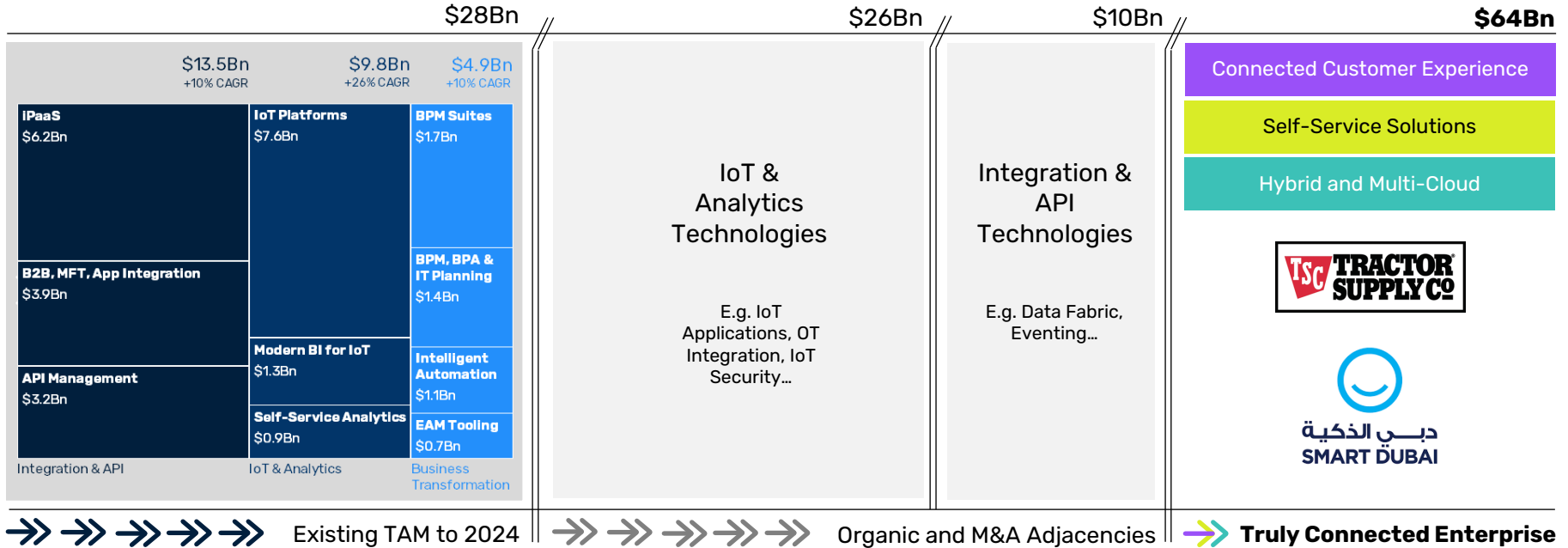


# Sanjay Brahmawar

## CEO

# Toward and beyond 2023

Already shaping and unlocking the \$64Bn Truly Connected Enterprise opportunity



# Q1 headline numbers

Performing in line with our 2021 plan

## Digital Bookings

+21% driven by strong demand

€67.4m

## Operating Margin (EBITA, non-IFRS)

Reflecting incremental Helix investment

13.4%

## A&N Bookings

In-line with expected A&N phasing

€21.4m

## Sub/SaaS % Digital Bookings

Continued strong progress

81%

## Total Product Revenue

A&N impact and subscription shift

€146.5m

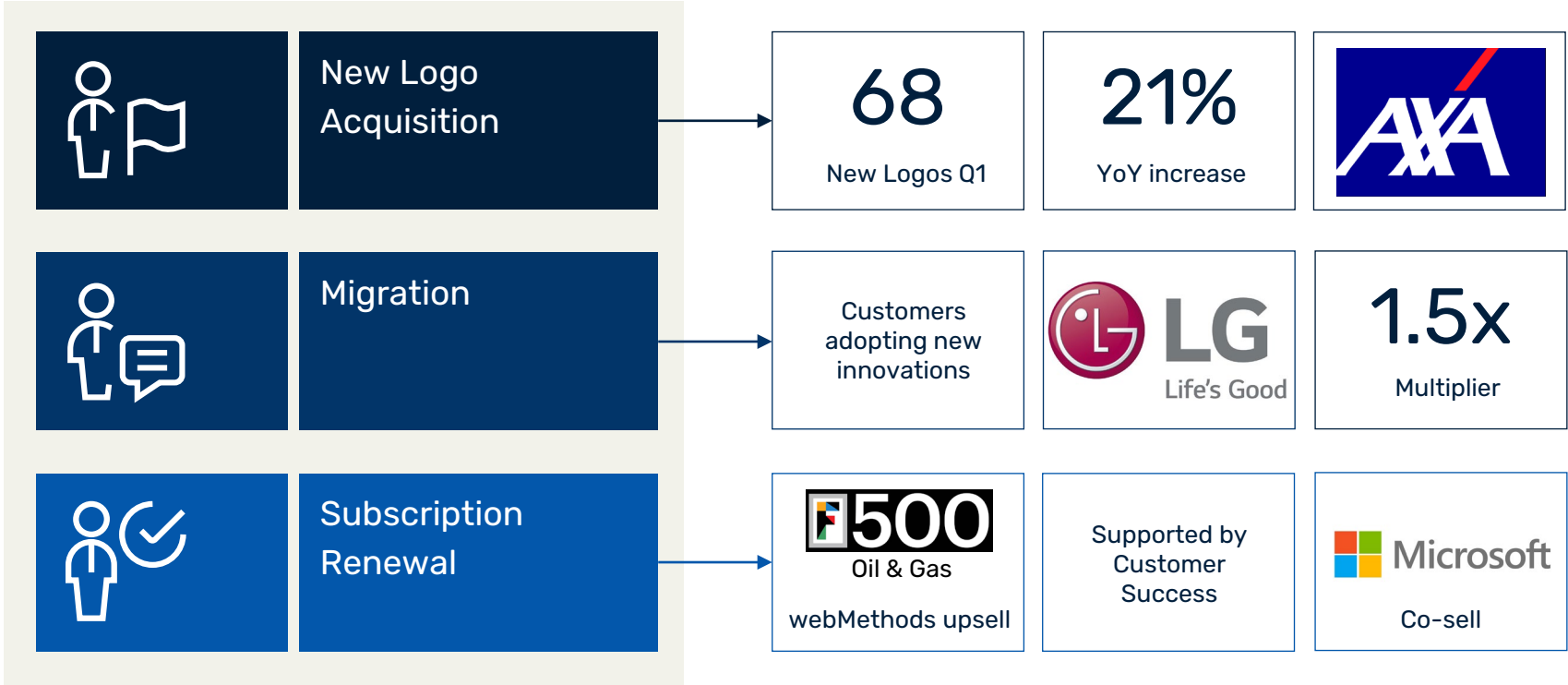
## Recurring Revenue

Ahead of 2023 85% target

89%

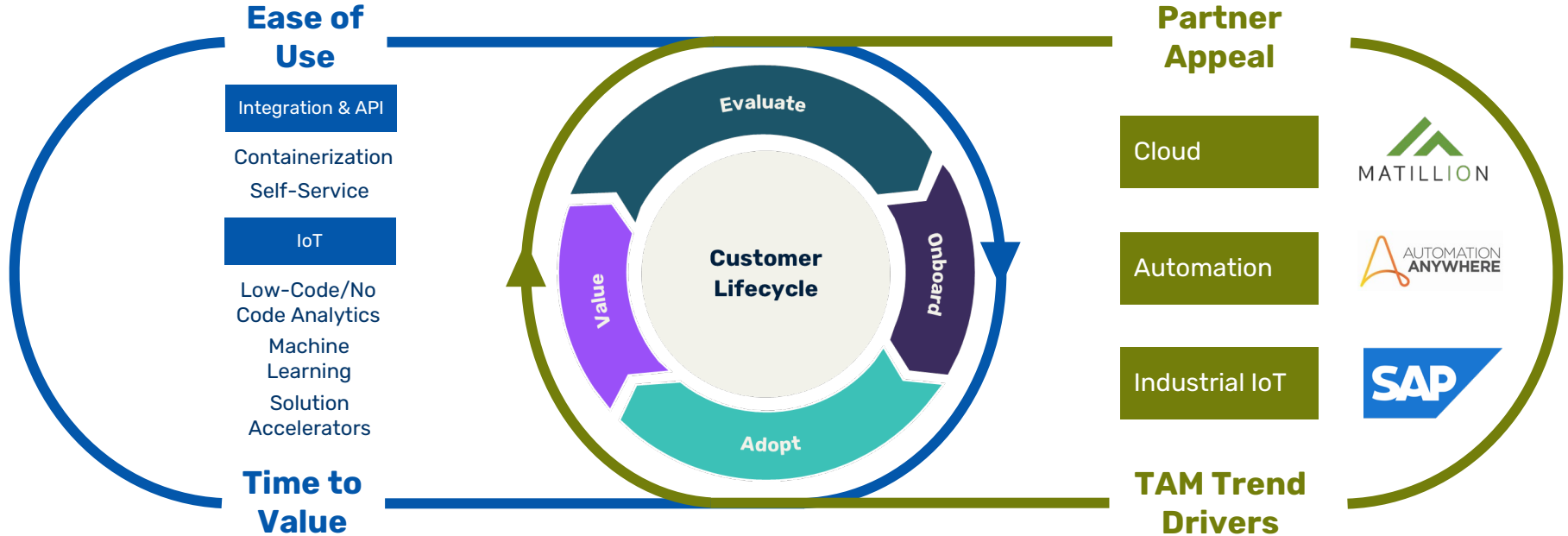
# Acceleration in action

Pursuing multiple drivers for business growth



# Focus

Product powers our acceleration



Powerful combination of product independence, strength and depth supporting new business acquisition



# Execution

## Investing with impact

### DACH

- Mittelstand program proving highly effective
- 5 deals closed in Q1
- >70 new logos in pipeline

### NAM

- Marketing investment targeting 500 key accounts
- c.1 year of MQLs anticipated

### Partner Ecosystem

- Incremental digital business bookings up >50%
- >200 new partner opportunities registered in Q1

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## Reuters names Alessandra Galloni as its next editor-in-chief

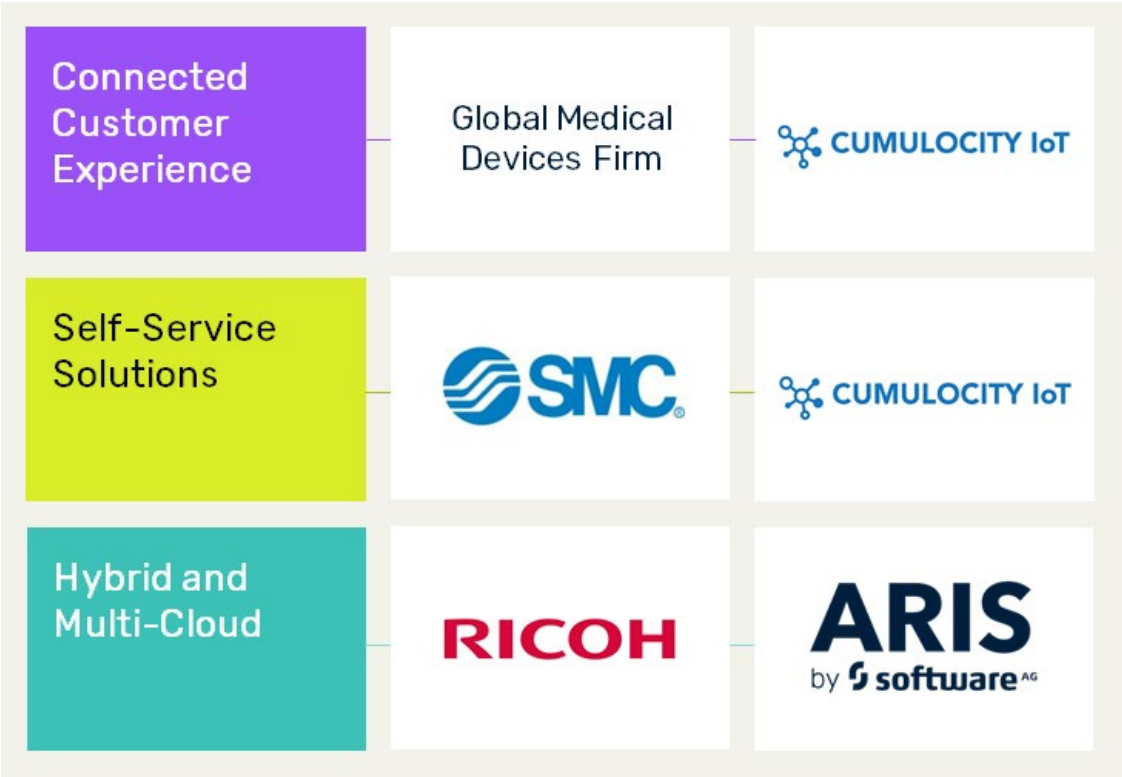
By Reuters Staff 9 MIN READ

(Reuters) - Reuters News has named one of its top editors, Alessandra Galloni, as its next editor-in-chief, the first woman to lead the globe-spanning news agency in its 170-year history.

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# Execution

Bringing the Truly Connected Enterprise to life



# Team

Strength and support



## Leadership Strength

New CMO and APJ Leader in position



## Leadership Learning

>50% people managers enrolled on Learning Journey Program



## The New Normal

Ensuring the flexibility and adaptability of hybrid work

# Guidance

FY 2021 expectations maintained

	FY 2020 <i>(in €m)</i>	FY2021 Outlook <i>(in %)</i>
Digital Business bookings	€360.7m	+15% to +25% <sup>1</sup>
A&N bookings	€129.0m	-30% to -20% <sup>1</sup>
Total Product Revenue	€671.1m	0% to +5% <sup>1</sup>
Operating Margin (EBITA, non-IFRS) <sup>2</sup>	21.2%	16% to 18%

<sup>1</sup> at constant currency

<sup>2</sup> adjusted for non-operating factors (see non-IFRS earnings definition)

# Dr. Matthias Heiden

## CFO

# Session Outline

A quarter of solid performance in line with our plan

**1**



**2**



**3**

**Bookings performance**

**Product revenue  
development**

**Cost base and margin**

# Q1 Bookings Performance

Growth driven by Digital Business and subscription shift

## Group Bookings

(in €m)

	Q1 2021	Q1 2020	Δ%	Δ% acc
Subscription	46.9	33.1	42%	50%
SaaS	13.8	8.4	63%	69%
Perpetual	28.1	48.6	-42%	-39%
<b>Total Bookings</b>	<b>88.8</b>	<b>90.1</b>	<b>-1%</b>	<b>4%</b>
<i>thereof Renewals</i>	<i>14.5</i>	<i>6.8</i>	<i>114%</i>	<i>130%</i>

## Digital Business Bookings

(in €m)

	Q1 2021	Q1 2020	Δ%	Δ% acc
Subscription	40.8	31.6	29%	34%
SaaS	13.8	8.3	65%	71%
Perpetual	12.8	18.0	-29%	-25%
<b>Total Bookings</b>	<b>67.4</b>	<b>58.0</b>	<b>16%</b>	<b>21%</b>
<i>thereof Renewals</i>	<i>13.1</i>	<i>6.8</i>	<i>94%</i>	<i>103%</i>

# Q1 A&N Bookings Performance

A&N performance in line with expected dynamics given tough Q1 2020 comparator

(in €m)

	Q1 2021	Q1 2020	Δ%	Δ% acc
Subscription	6.1	1.6	320%	395%
Perpetual	15.3	30.6	-50%	-48%
<b>Total Bookings</b>	<b>21.4</b>	<b>32.1</b>	<b>-33%</b>	<b>-28%</b>
<i>thereof Renewals</i>	<i>1.4</i>	<i>0.0</i>	<i>-</i>	<i>-</i>



# Q1 Digital Business Product Revenue Performance

Digital recurring revenue up 5%; Product Revenue flat as subscription shift continues

<i>(in €m)</i>	Q1 2021	Q1 2020	Δ%	Δ% acc
Subscription	30.2	19.2	57%	62%
SaaS	9.5	6.9	37%	42%
Maintenance from Perpetual Licenses	53.3	66.0	-19%	-15%
<b>Total Recurring Revenue</b>	<b>93.0</b>	<b>92.1</b>	<b>1%</b>	<b>5%</b>
Perpetual Licenses	5.9	11.4	-48%	-45%
<b>Total Product Revenue</b>	<b>98.9</b>	<b>103.5</b>	<b>-4%</b>	<b>0%</b>

# Q1 A&N Product Revenue Performance

Revenue performance in line with expected phasing of A&N business and year-on-year comparison

<i>(in €m)</i>	Q1 2021	Q1 2020	Δ%	Δ% acc
Subscription	4.9	1.3	267%	298%
Maintenance from Perpetual Licenses	31.8	35.2	-10%	-3%
<b>Total Recurring Revenue</b>	<b>36.7</b>	<b>36.6</b>	<b>0%</b>	<b>8%</b>
Perpetual Licenses	10.8	20.8	-48%	-45%
<b>Total Product Revenue</b>	<b>47.5</b>	<b>57.4</b>	<b>-17%</b>	<b>-12%</b>

# Group Product Revenue Performance

Increasing share of subscription and SaaS

<i>(in €m)</i>	Q1 2021	Q1 2020	Δ%	Δ% acc
Subscription	35.1	20.5	71%	77%
SaaS	9.5	6.9	37%	42%
Maintenance from Perpetual Licenses	85.1	101.2	-16%	-11%
<b>Total Recurring Revenue</b>	<b>129.7</b>	<b>128.7</b>	<b>1%</b>	<b>6%</b>
Perpetual Licenses	16.7	32.3	-48%	-45%
<b>Total Product Revenue</b>	<b>146.5</b>	<b>160.9</b>	<b>-9%</b>	<b>-4%</b>

# Professional Services Performance\*

Solid performance indicating improving market conditions

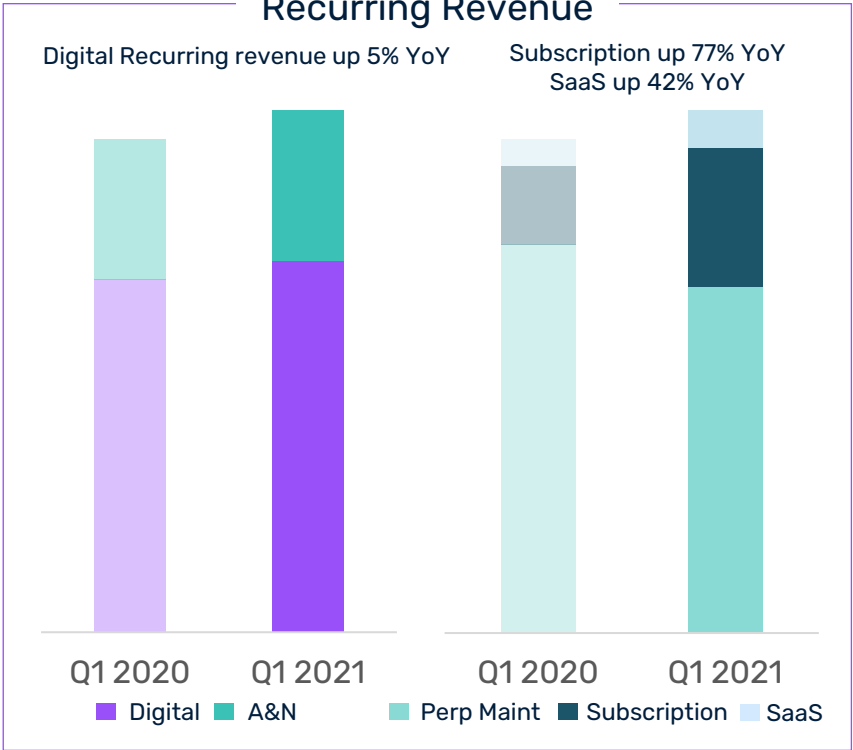
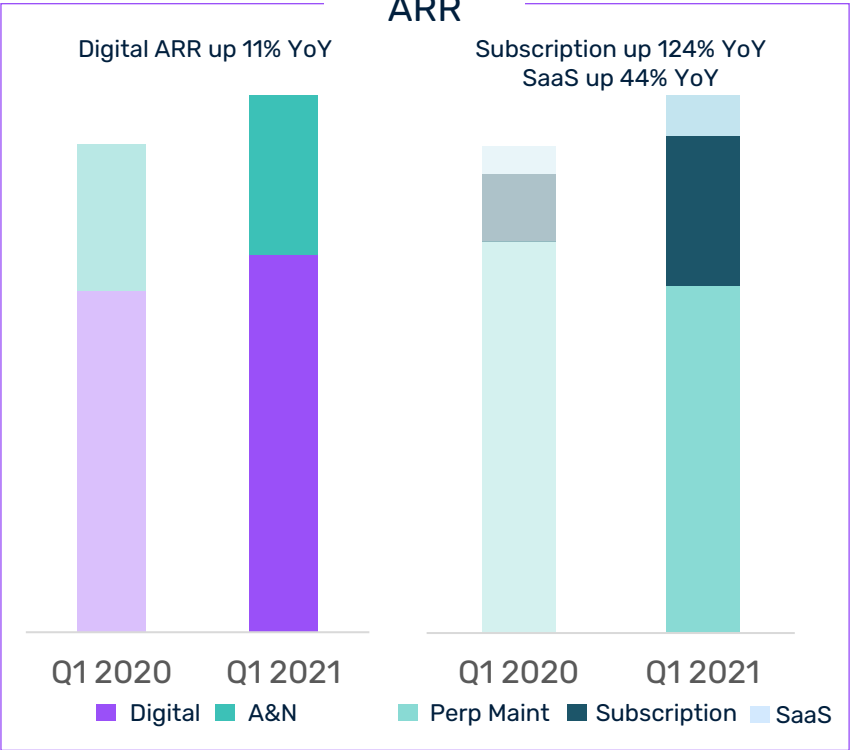
<i>(in €m)</i>	Q1 2021	Q1 2020	Δ%	Δ% acc
<b>Total revenue</b>	<b>36.7</b>	<b>46.0</b>	<b>-20%</b>	<b>-17%</b>
Cost of sales	-27.2	-39.2	-31%	-28%
<b>Gross profit</b>	<b>9.5</b>	<b>6.8</b>	<b>41%</b>	<b>46%</b>
Sales & Marketing	-3.1	-4.4	-29%	-27%
<b>Segment result</b>	<b>6.4</b>	<b>2.4</b>	<b>170%</b>	<b>181%</b>
<i>Margin in %</i>	<i>17.4%</i>	<i>5.1%</i>		

\* Q1 2021 results affected by disposal of the Spanish unit at June 30, 2020.

**NB:** while we continue to sell software in Spain and support our customers through our in-market partner, Q2 of this year is the last time our Spanish Professional Services business will be present in the comparison of quarterly results.

# Recurring Revenue and ARR\*

Growth in high quality and highly predictable revenue



\*All growth rates at constant currency

# Q1 Cost Base & Margin

Helix investments to continue, no change to FY margin ambition

<i>(in €m)</i>	Q1 2021	Q1 2020	Δ%	Δ% acc
<b>Total revenue (group)</b>	<b>183.1</b>	<b>207.0</b>	<b>-12%</b>	<b>-7%</b>
Cost of sales	-46.3	-55.3	-16%	-14%
<b>Gross profit</b>	<b>136.8</b>	<b>151.8</b>	<b>-10%</b>	<b>-5%</b>
<i>Margin in %</i>	<i>74.7%</i>	<i>73.3%</i>		
Research & Development	-38.5	-36.5	6%	8%
Sales & Marketing	-62.2	-66.0	-6%	-2%
Administration	-20.5	-21.4	-4%	-1%
Other income / expense	-0.3	0.9		
<b>EBIT</b>	<b>15.3</b>	<b>28.7</b>	<b>-47%</b>	<b>-34%</b>
<i>Margin in %</i>	<i>8.4%</i>	<i>13.9%</i>		
<b>EBITA (Non-IFRS)</b>	<b>24.5</b>	<b>39.7</b>	<b>-38%</b>	
<i>in % of revenue (Non-IFRS)</i>	<i>13.4%</i>	<i>19.2%</i>		

# Cash flow

Free Cash Flow follows expected trajectory with lower profit impacting result

(in €m)

	Q1 2021	Q1 2020	Δ%
<b>Operating Cash Flow</b>	47.0	61.5	-24%
./. CapEx* (long-term, non-current)	-3.9	-5.5	
./. Repayment of lease liabilities**	-3.3	-4.0	
<b>Free Cash Flow</b>	39.8	52.0	-23%
<i>in % of revenue</i>	21.7%	25.1%	
<b>Free Cash Flow per share***</b>	0.54€	0.70€	-22%

\* Cash flow from investing activities except acquisitions and except investments in debt instruments

\*\* New reporting line due to IFRS 16

\*\*\* Based on weighted average shares outstanding (basic): 74.0m

# Summary

Looking ahead with positivity to the remainder of 2021

**1**

Digital business and  
subscription shift driving  
performance



**2**

Growth acceleration  
moving forward as  
planned



**3**

Confident in 2021  
guidance



# Q&A



# PRODUCT BOOKINGS | ARR | REVENUE (GROUP)

## Q1 2021

<i>(in €m)</i>	Q1 2021	Q1 2020	Δ%	Δ% acc	
Subscription	46.9	33.1	42%	50%	Bookings
SaaS	13.8	8.4	63%	69%	
Perpetual	28.1	48.6	-42%	-39%	
<b>Total Bookings</b>	<b>88.8</b>	<b>90.1</b>	<b>-1%</b>	<b>4%</b>	
<i>thereof Renewals</i>	<i>14.5</i>	<i>6.8</i>	<i>114%</i>	<i>130%</i>	
Subscription	146.6	67.0	119%	124%	ARR
SaaS	39.6	28.0	42%	44%	
Maintenance from Perpetual Licenses	336.4	392.8	-14%	-11%	
<b>Total ARR (as of quarter end)</b>	<b>522.6</b>	<b>487.8</b>	<b>7%</b>	<b>10%</b>	
Subscription	35.1	20.5	71%	77%	Revenue
SaaS	9.5	6.9	37%	42%	
Maintenance from Perpetual Licenses	85.1	101.2	-16%	-11%	
<b>Total Recurring Revenue</b>	<b>129.7</b>	<b>128.7</b>	<b>1%</b>	<b>6%</b>	
Perpetual Licenses	16.7	32.3	-48%	-45%	
<b>Total Product Revenue</b>	<b>146.5</b>	<b>160.9</b>	<b>-9%</b>	<b>-4%</b>	

# IFRS STANDARD BUSINESS LINE REVENUE REPORTING

## Q1 2021

<i>(in €m)</i>	Q1 2021	Q1 2020	Δ%	Δ% acc
<b>Digital Business</b>				
Licenses	24.9	25.1	-1%	2%
Maintenance	64.5	71.4	-10%	-5%
SaaS / Usage-based	9.5	6.9	37%	42%
<b>Total revenue</b>	<b>98.9</b>	<b>103.5</b>	<b>-4%</b>	<b>0%</b>

<i>(in €m)</i>	Q1 2021	Q1 2020	Δ%	Δ% acc
<b>Adabas &amp; Natural</b>				
Licenses	13.6	21.5	-37%	-33%
Maintenance	33.9	36.0	-5%	1%
<b>Total revenue</b>	<b>47.5</b>	<b>57.6</b>	<b>-17%</b>	<b>-12%</b>

# EARNINGS (IFRS)

## Q1 2021

<i>(in €m)</i>	Q1 2021	Q1 2020	Δ%
<b>EBIT (before all taxes)</b>	<b>15.3</b>	<b>28.7</b>	<b>-47%</b>
Financial result	-0.3	1.2	
Profit before taxes	15.0	29.9	-50%
Other taxes	-1.1	-1.2	-9%
Income taxes	-3.7	-8.5	-56%
<i>Tax rate in %</i>	<i>-32.0%</i>	<i>-32.4%</i>	
<b>Net income</b>	<b>10.2</b>	<b>20.2</b>	<b>-50%</b>
<b>EPS in €*</b>	<b>0.14€</b>	<b>0.27€</b>	<b>-50%</b>

\* Weighted average shares outstanding (basic): 74.0m

# AMORTISATION / DEPRECIATION IMPACT (PRELIMINARY)

(in €m)

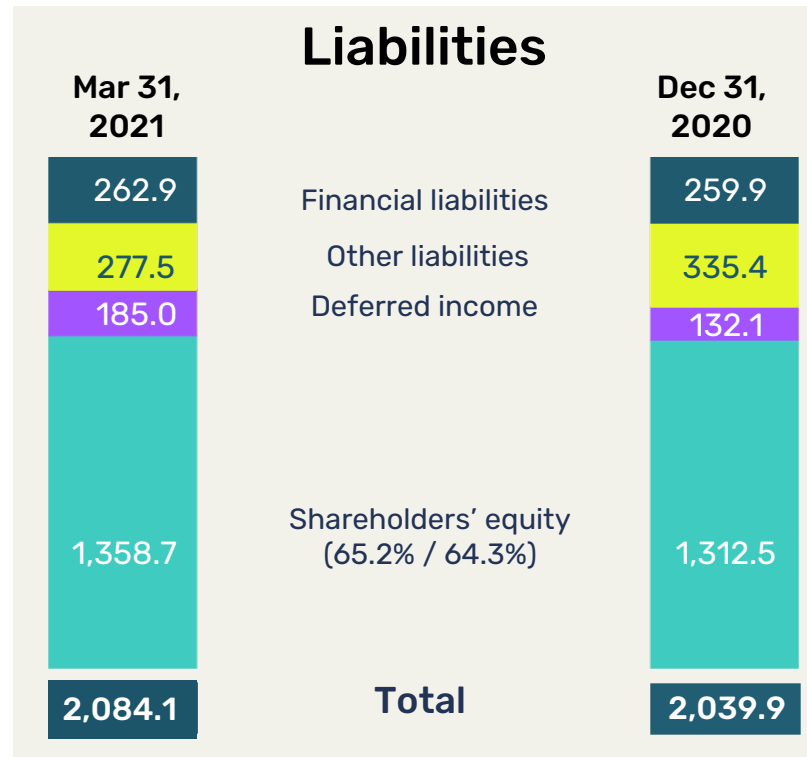
	Q1 2021		FY 2020	FY 2021*	FY 2022*	FY 2023*
Amortisation	-3.9		-14.2	-16.1**	-15.6**	-10.8
Depreciation	-6.0		-25.7	-24.0	-24.0	-24.0

\* Estimated

\*\* incl. 2.2 €m amortisation for IDS trademark

# BALANCE SHEET

(in €m)

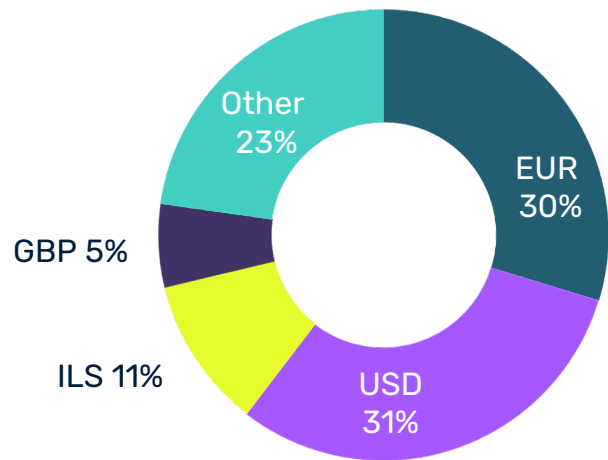


# CURRENCY IMPACT ON REVENUE

## Q1 2021

⇒ 30% revenue in Euro

⇒ 70% revenue in foreign currency



Currency split Q1 2021

## Currency impact on revenue

<i>(in €m; yoy)</i>	Q1 2021	in %
Subscription	-1.3	-4%
SaaS	-0.3	-3%
Perpetual	-5.9	-6%
Professional Services & other	-1.3	-3%
<b>Total</b>	<b>-8.8</b>	<b>-5%</b>



# HEADCOUNT

## BY FUNCTIONAL AREAS\* AND GEOGRAPHY

<i>(in FTE)</i>	Mar 31, 2021	Dec 31, 2020	Δ%	Mar 31, 2020	Δ% yoy
<b>Total</b>	<b>4,669</b>	<b>4,700</b>	<b>-1%</b>	<b>5,005</b>	<b>-7%</b>
Professional Services**	1,491***	1,490***	0%	1,940	-23%
Research & Development	1,475	1,494	-1%	1,434	3%
Sales & Marketing	1,032	1,027	1%	967	7%
Administration	670	689	-3%	664	1%
Germany	1,317	1,314	0%	1,280	3%
USA	603	629	-4%	604	0%
India	1,034	1,043	-1%	1,011	2%
Rest of World	1,714***	1,714***	0%	2,110	-19%

\* According to P&L structure

\*\* incl. Professional Services, Support and Cloud Operations

\*\*\* excl. 438 FTE of sold Professional Service unit in Spain

